



STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA
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BETTY T. YEE
First District, San Francisco

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Second District, Lancaster

MICHELLE STEEL
Third District, Orange County

JEROME E. HORTON
Fourth District, Los Angeles

JOHN CHIANG
State Controller

CYNTHIA BRIDGES
Executive Director

STATE BOARD OF EQUALIZATION MEETING
5901 Green Valley Circle, Room 207, Culver City
April 24-25, 2013
NOTICE AND AGENDA
Meeting Agenda (as of 4/25/2013 11:30 AM)

[Agenda Changes](#)

[Webcast on Wednesday, April 24, 2013](#)

Wednesday, April 24, 2013

9:30 a.m. Board Meeting Convenes*

Agenda items occur in the order in which they appear on the agenda. When circumstances warrant, the Board's Chair may modify the order of the items on the agenda. Items may be postponed to a subsequent day; however, items will not be moved to an earlier day.

Board Committee Meeting**

This matter is scheduled for Thursday, April 25, 2013.

Board Meeting*

- A. Homeowner and Renter Property Tax Assistance Appeals Hearings
There are no items for this matter.
- B. **Corporate Franchise and Personal Income Tax Appeals Hearings**
(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)
 - B1. [James U. Hannon and Sandra J. Riddle, 613264 +](#)
For Appellants: James Hannon, Taxpayer
Roger Serna, Representative
For Franchise Tax Board: Jaclyn Appleby, Tax Counsel
Ronald Hofsdal, Tax Counsel
 - B2. [Edie Glass, 573366 +](#)
For Appellant: Edie Glass, Taxpayer
For Franchise Tax Board: Marguerite Mosnier, Tax Counsel
Suzanne Small, Tax Counsel

B3. Haig Tacorian and Gilda Tacorian, 621172 +

For Appellants: Allen Ullman, Representative
Allan Vizvary, Representative
For Franchise Tax Board: Marguerite Mosnier, Tax Counsel
Suzanne Small, Tax Counsel

~~B4. Vincent J. Maranto and Susan L. Maranto, 612999~~

~~For Appellants: James LeBloch, Attorney~~
~~For Franchise Tax Board: Marguerite Mosnier, Tax Counsel~~
~~Diane Ewing, Tax Counsel~~

B5. SC Brokers, Inc., 600519 +

For Appellant: Alvaro Bautista, Taxpayer
For Franchise Tax Board: Ronald Hofsdal, Tax Counsel
Suzanne Small, Tax Counsel

~~B6. Cheryl Martin, 595044~~

~~For Appellant: Palma Mejia, Representative~~
~~For Franchise Tax Board: Eric Yadao, Tax Counsel~~
~~Diane Ewing, Tax Counsel~~

~~B7. Amihan A. Evidente, 593648~~

~~For Appellant: Amihan Evidente, Taxpayer~~
~~For Franchise Tax Board: Nancy Parker, Tax Counsel~~
~~Diane Ewing, Tax Counsel~~

B8. Michael Zapara and Gina Zapara, 252128 +

For Appellants: Waived Appearance
For Franchise Tax Board: Diane Ewing, Tax Counsel
Suzanne Small, Tax Counsel

C. Sales and Use Tax Appeals Hearings

(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

~~G1. Irvine Photo Graphics, Inc., 557007 (EA)~~

~~For Petitioner: Richard C. Farrell, Witness~~
~~Karen Beckingham, Witness~~
~~David Coniglio, Witness~~
~~Canie Brooks, Witness~~
~~Mark Stephan, Representative~~
~~George Rice, Representative~~
~~For Department: Scott Claremon, Tax Counsel~~

C2. Russell E. Belttary, 484124 (UT) +

For Petitioner: Russell E. Belttary, Taxpayer
 Thomas A. Alston, Representative
 Stuart Simon, Attorney

For Department: Erin Dendorfer, Tax Counsel

C3. KHN, Inc., 457530 (FH) +

For Petitioner: Waived Appearance

For Department: Scott Lambert, Hearing Representative

There are no items for the following matters:

- D. Special Taxes Appeals Hearings
- E. Property Tax Appeals Hearings

F. Public Hearings

- F1. Property Taxes - State Assessee's Presentations on the Valuation of State-Assessed Properties..... Mr. Thompson

The Board will hear state assessee's presentations on the valuation of state-assessed properties.

Speaker: Peter W. Michaels, Law Office of Peter Michaels,
 representing State Assessed Gas/Electric,
 Intercounty Pipeline, Telephone and Railroad
 Companies

- F2. *Proposed Amendments to Regulation 1685.5, Calculation of Estimated Use Tax – Use Tax Table +* Mr. Mendel

Request for adoption of proposed amendments to Regulation 1685.5 to account for the new registration requirements imposed by Assembly Bill No. 155 (Stats. 2011, ch. 313) and recent registration activities.

G. Tax Program Nonappearance Matters – Consent

(Contribution Disclosure forms not required pursuant to Gov. Code, § 15626.)

- G1. Legal Appeals Matters Mr. Angeja

- Hearing Notices Sent – No Response
 1. Jill Ellen Malone, 518599 (DF)
 2. Juan Antonio Castillo Uribe, 569687 (AC)
 3. Larry M. Bakman, 509062 (UT)
 4. ~~Karen D. Hulse, 458251 (EH)~~
 5. Mohammed Anwar Nurhussien, 568054 (EA)
 6. Earthlite Massage Tables, Inc., 539013 (FH)
- Hearing Notice Sent – Appearance Waived
 7. ~~Jose Agustin Fernandez, 549411, 553265 (AR)~~

G2. Franchise and Income Tax Matters Mr. Epolite

➤ Decisions

1. Analytical Environmental Services, 566054
2. Antonio Arreguin, 569055
3. Bryan G. Bordeaux and Lorri Bordeaux, 571434
4. Kenneth R. Erickson (Dec'd) and April A. Erickson, 556308
5. S.E. Fisk and Sandy K. Fisk, 561277
6. Nick Flores, 569886
7. Zuo Lun Hua, 575053
8. Mahmood Karimi Manesh and Carelle L. Karimimanesh, 567197
9. Douglas H. Murray and Karen L. Murray, 573107
10. Frank Ornellas, 588398
11. Max D. Price, 574777
12. Lisa Seppi, 588501
13. Howard N. Solomon, 536985
14. Daniel Thiel, 593704
15. Hilaria Thomas, 557470
16. David Woodward, 561825

➤ Petitions for Rehearing

17. Scott Grossman, 566834
18. Howard B. Han and Seung W. Han, 577081
- 19a. Erik L. Hayes, 572579
- 19b. Carol Grant, 573205
- 19c. Eldo Klingenberg, 573235
20. Sheila Kennedy, 530951
21. Douglas Samski, 559019

G3. Homeowner and Renter Property Tax Assistance Matters
There are no items for this matter.

G4. Sales and Use Taxes Matters Mr. McGuire

➤ Redeterminations

1. Automobile Club of Southern California, 460251 (EA)
2. Business Objects Americas, 510427 (GH)
3. Wm. D. Young & Sons, Inc., 626106 (EH)
4. Renee L. Carey, 519309 (KH)
5. Universal Kitchen Doors, Inc., 507859 (EH)
6. South Valley Materials, Inc., 458615 (OH)
7. One & Company Design, Inc., 550591 (BH)

➤ Relief of Penalty/Interest

8. Del Taco, LLC, 702775 (EA)

➤ Denial of Claim for Refund

9. Finance and Thrift Company, 488217 (DF)

➤ Grant-One Day Interest Relief

10. Atascadero Glass, Inc., 711517 (GH)
11. Ushio America, Inc., 711523 (EA)
12. West Coast Medianews, LLC, 711520 (KH)
13. B. W. Beverage Corporation, 711519 (AS)
14. Wireless Advocates, LLC, 711522 (OH)
15. Martin Auto Color, Inc., 711516 (AC)
16. Laurel M. Hirschmann, 711521 (AS)
17. Emperor Supply, Inc., 711518 (CH)
18. Bill Eads RV's, Inc., 711515 (KH)

- G5. Sales and Use Taxes Matters – Credits, Cancellations, and RefundsMr. McGuire
- Credit and Cancellation
 1. Julian & Kayla's, Inc., 701941 (FH)
 - Refunds
 2. Hisamitsu America, Inc., 594095 (AS)
 3. Disney Worldwide Services, 692585 (OH)
 4. Dako North America, Inc., 568552 (GH)
 5. Trojan Petroleum, Inc., 595721 (GH)
 6. Silvas Oil Company, Inc., 589364 (AR)
 7. Karen Dale Caillier, 678103 (AR)
 8. Viasat, Inc., 700767 (FH)
 9. Bank of the West, 561618 (CH)
 10. The Golden 1 Credit Union, 627527 (KH)
 11. Chevrolet Motor Division, 705979 (OH)
 12. Verizon Business Purchasing, LLC, 561829 (OH)
 13. Miramax Film Corporation, 710920 (OH)
 14. Nissan-Infiniti, Lt., 568189 (OH)
 15. Misys International Banking Systems, Inc., 625410 (OH)
 16. Owens & Minor Distribution, Inc., 632227 (OH)
 17. GTE Communication Systems Corporation, 710865 (AP)
 18. Ameron International Corporation, 522665 (EH)
 19. Oracle America, Inc., 697187 (BH)
 20. Logicalis, Inc., 554413 (OH)
 21. Finance and Thrift Company, 488217 (DF)
 22. Uag Los Gatos, Inc., 531128 (GH)
 23. Medcal Sales, LLC, 593651 (EH)
 24. Uag Stevens Creek II, Inc., 531103 (GH)
 25. Burlington Coat Factory of California, LLC, 534492 (OH)
 26. Buena Vista International, Inc., 690079 (OH)
 27. Molina Healthcare, Inc., 552829 (EA)
- G6. Special Taxes Matters Mr. Gau
- Redetermination
 1. Tesoro Refining and Marketing Company, 560281 (STF)
 - Relief of Penalty
 2. Partnership HealthPlan of California, 636876 (STF) 'CF'
 3. Community Health Group Partnership Plan, 640300 (STF) 'CF'
 4. MillerCoors, LLC, 688008 (STF) 'CF'
 5. AXA Equitable Life Insurance Company, 715366 (STF) 'CF'
- G7. Special Taxes Matters – Credits, Cancellations, and Refunds Mr. Gau
- Refund
 1. Northwestern Mutual Life Insurance Company, 586977 (STF) 'CF'

There are no items for the following matters:

- G8. Property Tax Matters
- G9. Cigarette License Fee Matters
- G10. Legal Appeals Property Tax Matters

H. Tax Program Nonappearance Matters – Adjudicatory

(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

H1. Legal Appeals Matters

There are no items for this matter.

H2. Franchise and Income Tax Matters Mr. Epolite**➤ Decision**

1. Cam Painting, Inc., 531722

➤ Cases Heard Not Decided

2. Daniel R. Marcotte, 589131

3. James J. Martin, 574254

There are no items for the following matters:

H3. Homeowner and Renter Property Tax Assistance Matters

H4. Sales and Use Taxes Matters

H5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds

H6. Special Taxes Matters

H7. Special Taxes Matters – Credits, Cancellations, and Refunds

H8. Property Tax Matters

H9. Cigarette License Fee Matters

H10. Legal Appeals Property Tax Matters

I. Tax Program Nonappearance Matters

(Contribution Disclosure forms not required pursuant to Gov. Code, § 15626.)

I1. Property Taxes Matters

There are no items for this matter.

I2. Offer in Compromise Recommendations Mr. Anderson

1. Robert Lee Borden

2. Giacomo Jack Pietro Campagna

3. Monique Marie Cook

4. Bassem Youssef Ghobrial

5. Khosrow Hosseini

6. Carmen L. Jessup

7. Armenak Lakisyan

8. Ock Ja Cho Lee

9a. Dimas Macias, Jr.

9b. Dolores Macias

10. Cynthia Jo Russell

11a. Christopher C. Wolford

11b. Sierra Machinery Services, Inc.

I3. Local Tax Reallocation Matters

There are no items for this matter.

Chief Counsel Matters

There are no items for the following matters:

- J. Rulemaking
- K. Business Taxes
- L. Property Taxes

M. Other Chief Counsel Matters

This item is scheduled for Thursday, April 25, 2013.

Administrative Session

Items that appear under these matters provide information to the Members and may require Board action or direction.

- N. Consent Agenda
There are no items for this matter.

O. Adoption of Board Committee Report and Approval of Committee Actions

This item is scheduled for Thursday, April 25, 2013.

P. Other Administrative Matters

- P1. Executive Director's Report Ms. Bridges

- 1. [Alternate Board Meeting Site +](#)

Substitution of a 2013 Culver City Board meeting with a Board meeting in San Francisco, California.

- 2. [Annual Board/Assessors' Meeting +](#)

Addition of annual Board/Assessors' meeting in Redding, California, to the 2013 Board Meeting Calendar.

- 3. Fire Prevention Fee Program Update

- 4. CROS Project Update and Actions Mr. Steen
Progress on the CROS project to replace BOE's two current tax legacy technology systems.

There are no items for the following matters:

- P2. Chief Counsel Report
- P3. Sales and Use Tax Deputy Director's Report
- P4. Property and Special Taxes Deputy Director's Report

- P5. [Administration Deputy Director's Report +](#) Ms. Houser

- 1. 2013/14 Budget Update – Information on the Governor's 2013/14 Budget may be provided.

- a. [Hazardous Waste Control Account Fee Reform - This proposal requests resources to address the proposed statutory changes by the Department of Toxic Substances Control to the Hazardous Waste Program. +](#)

There are no items for the following matters:

- P6. Technology Deputy Director's Report
- P7. External Affairs Deputy Director's Report

Announcement of Closed Session Ms. Richmond

Q. Closed Session

Q1. Discussion and approval of staff recommendations regarding settlement cases (Rev. & Tax. Code, §§ 6901, 7093.5, 30459.1, 50156.11).

Q2. Discussion and action on personnel matters (Gov. Code, § 11126(a)).

Announcement of Open Session..... Ms. Richmond

Recess - The meeting will reconvene on Thursday, April 25, 2013 at 9:30 a.m.

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Joann Richmond, Chief
Board Proceedings Division

- * Public comment on any agenda item, other than a Closed Session item or an item which has already been considered by a Board Committee, will be accepted at that meeting.
- ** Public comment on any committee agenda item will be accepted at the beginning of the committee meeting. Subsequent to committee meetings, committee agenda items may be taken up separately during the Board meeting.
- + Material is available for this item.
- ++ Material will be available at a later date.
- 'CF' Constitutional Function – The Deputy State Controller may not participate in this matter under Government Code section 7.9.



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[Agenda Changes](#)

[Webcast on Thursday, April 25, 2013](#)

Thursday, April 25, 2013

9:30 a.m. Board Committee Meeting Convenes**

Board Meeting reconvenes upon Adjournment of the Board Committee Meeting*

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Board Committee Meeting**

[Legislative Committee](#)Mr. Horton, Committee Chairman

2013 Legislative Bills

Recommendation for Board Position

AB 575 Pirated Intellectual Property (V. Perez)

AB 576 Revenue Recovery and Collaborative Enforcement (RRACE) Team
(V. Perez)

~~AB 1412 Excess Tax Reimbursement: Direct Payment (AR&T)~~

SCR 12 Earned Income Tax Credit and Volunteer Income Tax Assistance
programs (Calderon)

Board Meeting Reconvenes***Chief Counsel Matters**

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M. Other Chief Counsel Matters

- M1. [Request for Authorization to file Amicus Curiae Brief +](#) Mr. Moon

EHP Glendale, LLC, and Eagle Hospitality Properties Trust, Inc. v. County of Los Angeles, Court of Appeal, Second Appellate District, Div. Eight, Case No. B 244494 (Los Angeles County Superior Court Case No. BC 385925)

Request for authorization to file amicus curiae brief that explains and clarifies Assessors' Handbook section 502 guidance on application of the income approach to value in local property tax cases where nontaxable assets have increased the property's gross operating income.

C. Sales and Use Tax Appeals Hearings

(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

- C4. [Blue Baroness, LLC, 519591 \(UT\) +](#)

For Petitioner: Tammy Ross-Stern, Representative
S. Roger Rombro, Attorney
For Department: Scott Claremon, Tax Counsel

- ~~C5. Elizabeth Shuttlers, Inc., 538185 (EH)~~

~~For Claimant: Dean Frost, Taxpayer~~
~~For Department: Erin Dendorfer, Tax Counsel~~

- C6. [Deanna Lewis, 510327 \(AA\) +](#)

For Taxpayer: Deanna Lewis, Taxpayer
For Department: Pamela Mash, Tax Counsel

- C7. [Jeffrey Lloyd Macy, 556663 \(EH\) +](#)

For Petitioner: Waived Appearance
For Department: Kevin Smith, Tax Counsel

Administrative Session

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O. Adoption of Board Committee Report and Approval of Committee Actions

- O1. Legislative Committee

Adjourn

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